

## **FIRE & FLOWER HOLDINGS CORP.**

### **BOARD MANDATE**

#### **1. INTRODUCTION**

- 1.1. The board of directors (the “**Board**”) of Fire & Flower Holdings Corp. (the “**Company**”) is elected by the shareholders of the Company and is responsible for the stewardship of the Company. The purpose of this mandate is to describe the principal duties and responsibilities of the Board as well as some of the policies and procedures the Board will adopt in discharging its duties and responsibilities.

#### **2. ROLE AND RESPONSIBILITIES OF THE BOARD**

- 2.1. The role of the Board is to represent the shareholders of the Company, enhance and maximize shareholder value and conduct the business and affairs of the Company ethically and in accordance with the highest standards of corporate governance. The Board is ultimately accountable and responsible for providing independent, effective leadership in supervising the management of the business and affairs of the Company. The responsibilities of the Board include:

- adopting a strategic planning process;
- identifying risks to the business of the Company and ensuring that appropriate procedures are in place for risk management;
- reviewing, approving and monitoring annual operating plans and budgets;
- mandating a culture of corporate social responsibility, ethics and integrity including satisfying itself as to the integrity of the executive officers of the Company and that those executive officers create a culture of integrity throughout the organization;
- providing for succession planning, including the appointment, training and supervision of management;
- monitoring financial reporting, including the adequacy of internal controls and management information systems;
- supervising corporate disclosure and communications;
- adopting measures for receiving feedback from stakeholders; and
- adopting key corporate policies designed to ensure that the Company, its directors, officers and employees comply with all applicable laws, rules and regulations and conduct the Company’s business ethically and with honesty and integrity.

- 2.2. The Board will delegate responsibility for the day-to-day management of the Company’s business and affairs to the Company’s senior officers and will supervise such senior officers.

- 2.3. The Board may delegate certain matters within its scope of responsibility to Board committees, presently consisting of the Audit Committee and Compensation Committee. The Board will,

however, retain its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.

### **3. STRATEGIC PLANNING PROCESS AND RISK MANAGEMENT**

- 3.1. The Board will adopt a strategic planning process to establish objectives and goals for the Company's business and will review, approve and modify as appropriate the strategies proposed by senior management to achieve such objectives and goals. The Board will review and approve, at least on an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the Company's business and affairs.
- 3.2. The Board, in conjunction with management, will identify the principal risks of the Company's business and oversee management's implementation of appropriate systems to effectively monitor, manage and mitigate the impact of such risks.

### **4. CORPORATE SOCIAL RESPONSIBILITY, ETHICS AND INTEGRITY**

- 4.1. The Board will provide leadership to the Company in support of its commitment to Corporate Social Responsibility, set the ethical tone for the Company and its management and foster ethical and responsible decision making by management. The Board will take all reasonable steps to satisfy itself of the integrity of the Chief Executive Officer and management of the Company and all of its subsidiaries and satisfy itself that the Chief Executive Officer and management create a culture of integrity throughout the organization.

### **5. SUCCESSION PLANNING, APPOINTMENT, SUPERVISION AND COMPENSATION**

- 5.1. The Board will approve the succession plan for the Company, including the selection, appointment, supervision and evaluation of the Chief Executive Officer and the other senior officers of the Company and its subsidiaries, and will also approve the compensation of the Chief Executive Officer and the other senior officers of the Company and its subsidiaries.

### **6. DELEGATIONS AND APPROVAL AUTHORITIES**

- 6.1. The Board will delegate to the Chief Executive Officer and senior management authority over the day-to-day management of the business and affairs of the Company. This delegation of authority will be subject to specified financial limits and any transactions or arrangements in excess of general authority guidelines will be reviewed by and subject to the prior approval of the Board.

### **7. MONITORING OF FINANCIAL REPORTING AND MANAGEMENT**

- 7.1. The Board will approve all regulatory filings, including the annual audited financial statements, interim financial statements, the notes and management discussion and analysis accompanying such financial statements, quarterly and annual reports, management proxy circulars, annual information forms, prospectuses, and all capital investments, equity financings, borrowings and all annual operating plans and budgets.
- 7.2. The Board will adopt procedures to ensure the integrity of internal controls and management information systems for the Company and all of its subsidiaries to ensure compliance with all applicable laws, rules and regulations, and to prevent violations of applicable laws, rules and

regulations relating to financial reporting and disclosure, fraud against the Company or any of its subsidiaries and violations of its code of business conduct and ethics.

**8. CORPORATE DISCLOSURE AND COMMUNICATIONS**

- 8.1. The Board will ensure that all corporate disclosure complies with all applicable laws, rules and regulations and the rules and regulations of the stock exchanges upon which the Company's securities are listed. In addition, the Board will adopt procedures to ensure the Board receives feedback from security holders on material issues.

**9. REVIEW OF MANDATE**

- 9.1. The Board will annually review and assess the adequacy of this Mandate.

Approval Date: February 13, 2019

Approved by: Board of Directors